

Resident caps and the training of geriatricians

ISSUE: The Committee report language for MedPAC's 2001 appropriations stated that a documented shortage of geriatricians exists, and that the shortage has occurred in part because of inadequate Medicare reimbursement and physician training payment restrictions. MedPAC is required to examine the impact of the residency caps on geriatric residency training programs and report on any recommendation for altering the caps. The basic question the Commission needs to consider is whether geriatric residency training programs should be exempted from the caps on resident counts used for determining direct GME and indirect medical education payments.

KEY POINTS: The Balanced Budget Act of 1997 (BBA) placed caps on the number of residents Medicare would support through its direct graduate medical education payment and indirect medical education (IME) adjustment. Before the BBA, Medicare payments increased with each additional resident a hospital trained. The resident cap was put in place to eliminate the incentive hospitals had to increase the number of residents they train and thereby increase their payments. Some policy makers are concerned that the caps on the total number of residents Medicare will support at each institution is constraining the supply of geriatricians, physicians who specialize in caring for the elderly.

In brief, we found that the number of first year geriatric fellowship positions continued to increase even after imposition of the caps. However, the number of physicians entering these programs has not kept pace with the expanded capacity in geriatric positions. We conclude that no changes are necessary to Medicare's resident caps, as the persistent vacancies in geriatric programs indicates that other forces are responsible for the slow growth of this profession.

ACTION: The Commission needs to respond to the Committee's request either by recommending a change in the resident caps as they impact geriatric residencies or by indicating that the resident cap is not the problem.

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